

ALCATEL

Attachment 12

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Paris, May 17, 2006

*Letter sent by fax (1. 916 795 2842)***Re. your letter to Serge Tchuruk, dated April 5, 2006**

Dear Ms. Wood,

Further to my letter of April 11, I write to advise you that this week I met the Project Director of CDA who discussed how CDA engages with companies and their general approach to the review of company operations in countries such as Sudan.

The next step is for me to explain the role of CDA internally and propose a course of action. As soon as I have some further news, I will write to you again.

Kind regards.



Charles MATTHEWS
Chief Compliance Officer

✓ Cc. Dennis Johnson, Senior Portfolio Manager-Corporate Governance, CalPERS